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January 21, 2015

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: **ExParte Communication**

MB Dkt. No. 14-57

Applications of Comcast Corp., Time Warner Cable Inc., Charter Communications, Inc., and SpinCo for Consent to Assign and Transfer Control of FCC Licenses and Other Authorization,

Dear Ms. Dortch:

I am writing on behalf of the Coalition for Broadband Equity, a coalition of public and not-for-profit organizations serving communities in Ohio, Michigan and Wisconsin, which have worked for many years to help local residents become digitally literate and connected. Our 21 current affiliates include the City and Housing Authority of Milwaukee; the community college systems of Cuyahoga and Lorain Counties, Ohio; the county library systems serving Ohio's Cuyahoga, Mahoning, and Greene Counties as well metropolitan Dayton; and community-based organizations with extensive experience in technology training and adoption support for low-income households in Cleveland, Akron, Detroit and Dayton.¹

The communities served by the members of the Coalition have significant interests at stake in MB Docket No. 14-57. But the stakes for us are not the same as those which have dominated the record in this case, let alone the national headlines and public debate surrounding the Commission's review.

For this reason, the volume and complexity of issues and documents facing the Commission and staff, and the number of ex parte filings in this case, the Coalition submits this ex parte overview of our concerns and perspectives.

The Coalition offers the following key points for your consideration:

¹ At the time the Coalition submitted our Initial Comments in MB Docket No. 14-57 in August, we listed seventeen member organizations. New members since that filing include the Dayton Metro Library and Edgemont Neighborhood Coalition of Dayton; the Greene County Public Library in Xenia, OH; and the Cleveland Tenants Organization. A complete list of affiliated organizations is attached.



1) The members of the Coalition for Broadband Equity neither oppose nor support the acquisition of Time Warner by Comcast. Nor do we oppose, or support, the subsequent divestment of our communities to Charter Communications and GreatLand Networks.

We do believe that these transactions are distinct and separate, and must be scrutinized separately on their own merits; i.e. the Commission must give the proposed transfers of Comcast and Time Warner operations to Charter and GreatLand the same level of public interest scrutiny as will be given to other transactions covered by this docket including the merger of Comcast and Time Warner Cable. If the Commission determines that the public interest of consumers and communities in Ohio, Michigan, Kentucky, Milwaukee, etc. would best be served by allowing the merger but not the divestment -- i.e. by making us all Comcast customers -- then that's what the Commission should order.

2) High on the list of public interest concerns that require your scrutiny is this: *Will the transfer of our communities to Charter and GreatLand improve or exacerbate our miserable rates of household broadband Internet connection, especially for lower-income households and underserved neighborhoods?*

The U.S. Census' 2013 American Community Survey, released in September, reveals that *Detroit, Milwaukee, Cleveland, Dayton, Cincinnati and Akron are all among the 25 worst-connected large cities in the U.S. in terms of percentages of household broadband subscription as well as overall home Internet access.* (The comparison group is the 176 U.S. cities with 50,000 or more households.) Notably, St. Louis and Birmingham, the largest cities currently served by Charter and slated to remain with the company if the Application is approved, also rank in the "top 25" worst-connected. All eight cities listed had more than 42% of their households reporting no fixed broadband subscriptions, and more than 30% reporting no home Internet access of any kind.

Smaller cities served by Coalition members, including Lorain and Youngstown, are also among the nation's worst-connected in comparison with their peers. The ACS reports household Internet data for 338 U.S. cities with between 25,000 and 50,000 households. Within this cohort, Youngstown and Lorain are, respectively, the 4th and 22nd worst-connected in terms of fixed household broadband subscriptions, and 10th and 28th worst for overall home Internet access.

The ACS's household broadband data is consistent with the Commission's own Form 477 data from the same period.

We're attaching the American Community Survey data as well as a summary of our analysis of December 2013 Form 477 data. (This is an updated version of the analysis of June 2013 FCC Form 477 data submitted with our Initial Comments.)

3) The Applicants argue that their proposed transactions will significantly benefit broadband access for low-income households and underserved communities by enabling the expansion of the Comcast Internet Essentials program, notably to millions of additional families now served by Time Warner.

But the benefits of Internet Essentials, together with any enhancements to that program that may result from this proceeding, will be lost to families and communities divested by Comcast to Charter or GreatLand -- unless those companies agree to create similar initiatives on their own.

No such initiatives by Charter or GreatLand are mentioned in the Applications. But in a brief section of their September 24, 2014, Reply to Comments -- apparently in response to the Coalition's Initial Comments -- Charter and GreatLand assure us that "*Residents in underserved communities will benefit from the transactions*" because Charter intends to "*launch a program... that offers low-cost broadband service to low-income families...*" and GreatLand "*will continue to offer Internet Essentials and, over time, may make changes to properly serve this important constituency.*"

These assurances are welcome, but far too vague to be taken at face value. GreatLand may be best described as a nascent enterprise. Charter currently has no history of low-income rate discounts, broadband adoption or digital training programs in the communities it already serves. Even if the two companies' managers seriously intend to make serious, strategic efforts to increase broadband use by lower-income residents, their unfamiliarity with the communities they are seeking to acquire, and with the "field" of effective digital inclusion work, guarantee that those efforts will take years to have a significant impact, unless they are undertaken in partnership with experienced actors and community leaders in the places where they are most needed.

Unfortunately, as far as we can determine, neither Charter's management nor the executive leadership of GreatLand, such as it is, have made any effort at all to engage municipal, institutional or nonprofit leaders at any

level in the communities we serve.

4) As we detailed in our Initial Comments, members of the Coalition for Broadband Equity have extensive experience managing computer literacy and Internet adoption programs for low-income residents in our communities, including key roles in three very successful large-scale initiatives supported by the Broadband Technology Opportunities Program. Charter and GreatLand have the opportunity to partner with experienced public and nonprofit organizations in our cities to create cost-effective grassroots customer acquisition programs with significant, immediate community impact.

In our Initial Comments the Coalition asked the Commission to “*require the Applicants to provide specific, measurable, accountable plans for substantially increasing the percentage of all households, including households in lower-income neighborhoods, who are served by cable modem Internet connections*” in our communities. We also asked the Commission and Applicants to take note of Coalition members’ readiness to help the Applicants to “*develop appropriate, effective community investment strategies for customer acquisition in the communities we serve, and to assist the Applicants in creating successful partnerships with local public and nonprofit organizations for this purpose*”.

If Charter and GreatLand are serious about developing effective plans to increase broadband adoption by lower-income households as part of their proposed acquisitions, they should be reaching out now to community leaders and potential partners. We reiterate our readiness to help.

5) The California Emerging Technologies Fund (CETF) and allied organizations in California have made five recommendations to the Commission to help “*secure a Public benefit from the Comcast TWC proposed merger*”, summarized in CETF’s November 17 *ex parte* letter as: “*ensure acceptable Comcast Internet Essentials (CIE) performance; expand eligibility to include all low-income households; set performance goals; capitalize an independent fund and mandate States coordination; establish an independent advisory oversight committee; and require CIE to offer stand-alone Internet service.*”

The thrust of CETF’s proposals for reforming Internet Essentials is entirely consistent with the Coalition’s goals and perspective. But reform or improvement of the Internet Essentials program would only benefit our communities if the outcome of this case turned out to be the merger of Time Warner with Comcast, with no subsequent divestments to Charter and

GreatLand. In this unlikely scenario, the Coalition would largely endorse CETF's recommendations.

But if the Commission is to allow both the merger and the divestments, and "*secure a Public benefit*" for the divested communities including ours, then the specifics of CETF's framework may not entirely fit the circumstances of Charter or GreatLand, or of the communities we serve. Comcast, to its credit, has a large, fully operational national program in place, whereas Charter and GreatLand would need to build theirs from the ground up. And the "facts on the ground" in California, in terms of state government's regulatory and programmatic role in digital inclusion efforts, are very different from those in our states.

The elements of the CETF recommendations that should clearly be adopted by the Commission in either case, and required as part of any order or settlement approving the proposed transfers, are:

- a) specific, significant household broadband adoption goals for lower-income customers and underserved communities, with a meaningful process for the Commission to hold the companies accountable for performance;
- b) eligibility criteria for low-income customers extending beyond the limited constituency now served by Internet Essentials; and
- c) commitments by the companies to make significant investments in community-based marketing, training and support as core components of the approved plans. (We would add that these investments should be designed, budgeted and evaluated for what they are: Not charitable donations, but true investments in customer acquisition that are expected to produce positive financial returns over reasonable periods.)

We appreciate the Commission and Staff's consideration of these concerns and recommendations. Of course the members of the Coalition will be happy to provide any addition information or assistance we can to help the

Commission deal fairly and constructively with the difficult issues posed by the Applications in this case. Please feel free to contact me if I can provide you with additional information.

Sincerely,



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Attachments:

List of members of Coalition for Broadband Equity
American Community Survey data
Form 477 data

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Commissioner Ajit Pai
Commissioner Jessica Rosenworcel
Commissioner Michael O'Rielly